

**APPLICATION FOR PILOT
CITY OF MEMPHIS AND SHELBY COUNTY**

1. Applicant

Company Name: **Electrolux Home Products, Inc.**

Mailing Address: **10200 David Taylor Drive
Charlotte NC 29262
(980) 236-2264**

Federal Employer Identification Number: **34-1694736**

Company contact: **Jacob Burroughs
Project Director and Controller
10200 David Taylor Drive
Charlotte NC 29262
(980) 236-2264
jacob.burroughs@electrolux.com**

Description of Principle Business:

Applicant is a Delaware Corporation which is registered to do business in the State of Tennessee. Applicant is engaged in the manufacture, distribution and sale of household and professional appliances.

2. Sponsor: **Not applicable**

3. Outside professionals who will be involved in the Project on behalf of the Applicant and/or Sponsor:

Applicant's Legal Counsel:

**Moore & Van Allen, PLLC
Attn: Billy Moore
100 N. Tryon Street #4700
Charlotte NC 28202
(704) 331-1052
billymoore@mvalaw.com**

Project Engineer: *To be determined*
Project Architect: *To be determined*
General Contractor: *To be determined*

4. Does Applicant or Sponsor of the Project have an application pending or intend to apply for a PILOT lease agreement, industrial revenue bond financing or similar financial incentives for this

project with any other board or community?

The Applicant was in competitive negotiations for sites within the United States and Mexico, which included various significant incentive commitments related to multiple sites.

A. Has Applicant or Sponsor of the Project obtained Payment-in-lieu-of-tax incentive for any project by this Board or any other Board or community? **No**

B. Does Applicant or Sponsor have plans to incur indebtedness or other financial obligations which would materially affect its financial condition other than the financing applied hereby? **No.**

5. Project Location:

A. Street Address: **Paul Lowery Road, Pidgeon Industrial Park**

B. Vicinity Map: **Please see attached.**

C. Legal Description: **To be determined pending results of final boundary survey.**

D. Current Owner of the Real Property: **City of Memphis, County of Shelby and the Memphis and Shelby County Port Commission**

E. If not already owned by Applicant does the Applicant have an option to purchase the property?

Applicant has certain rights to lease, operate upon and acquire the property pursuant to the Site Location and Development Agreement dated December 15, 2010 by and between the Industrial Development Board of the City of Memphis and County of Shelby, Tennessee, City of Memphis, County of Shelby, State of Tennessee and Applicant (the "Site Agreement")

F. Are there presently outstanding any options or liens with regard to the property?

To the knowledge of the Applicant, no.

6. Give a brief overview of the company and describe the activities to be performed at this location, including a description of products to be produced and/or services to be provided, include NAICS or SIC if known:

Applicant and its affiliates are nationally and internationally recognized leaders in the manufacture, distribution and sale of home appliances and appliances for professional use, selling more than 40 million products to customers in 150 countries every year. They focus on innovations that are thoughtfully designed, based on extensive consumer insight.

This Project is intended for the manufacture of "high-end" consumer appliances, and will serve to consolidate within Tennessee certain existing North American manufacturing facilities. The Project is also anticipated to include a future distribution center.

In addition to the 1,240 jobs the Applicant intends to directly create at its

manufacturing facility, it is also anticipated that Applicant's vendors will locate facilities in immediate proximity to the Project in order to serve Applicants on-going needs for ancillary goods and services.

NAICS: 335221

SIC: 3631

7. This Project is a **not** a relocation or expansion of an existing site or project within Shelby County.

8. Tax Information on Project Location if real property benefit is being sought:

The real property consists of portions of parcels with the following Tax Parcel ID numbers:

050100 00007 (Appraised value of entire parcel \$6,858,200, currently tax exempt)

050097 00004 (Appraised value of entire parcel \$89,700, currently tax exempt)

050101 00067 (Appraised value of entire parcel \$3,065,600, currently tax exempt)

9. Capital Investment:

Capital Investment for Real Property PILOT Lease purposes is the cost of the Project Real Property less the cost of land. Capital Investment for Personal Property PILOT Lease purposes is the total cost of the tangible Personal Property installed at the Project.

Land: Approximately 790 Acres (with one tract being approximately 640 acres and one tract being approximately 150 acres)

Cost: \$8,000,000 agreed value per Site Location and Development Agreement (Agreed Value is for both tracts)

Site Preparation Cost: To be determined

Real Property (Building): Square Footage 700,000 sq. ft. Cost: \$69,000,000

Estimated Total Cost of Project Personal Property: \$126,000,000*

Please break the total estimated cost into these groups, if known.

Group 1 Furniture/Fixtures/Equipment: **\$3,000,000**

Group 2 Computers/Copiers/Peripherals **\$4,000,000**

Group 3 Molds/Dies/Jigs: **\$30,000,000**

Group 5 Manufacturing Machinery **\$89,000,000**

**In addition, the Applicant anticipates that approximately \$35,000,000 in Manufacturing Machinery may be relocated to the Project from existing manufacturing facilities outside of the United States.*

*** The above referenced Capital Investment, including the approximately \$35,000,000 in Manufacturing Machinery that may be relocated to the Project, is the total Capital Investment estimated for the Project with a portion of said total Capital Investment being provided by the State of Tennessee, City of Memphis and County of Shelby pursuant to the Site Agreement.*

Briefly describe the type of site development planned for this location, and other

improvements:

Site development will initially include the construction of three (3) LEED certified buildings and related infrastructure for the manufacture of appliances by the Applicant. The buildings will be equipped with state-of-the-art manufacturing equipment.

10. Project Construction:

A. Current zoning of Project Location: *Agricultural/Heavy Industrial*
Required zoning: *Agricultural/Heavy Industrial*

B. Describe any off-site and/or publicly owned infrastructure requirements:

Water: *To be determined*
Sanitary Sewer: *To be determined*
Streets: *To be determined*
Storm Sewer: *To be determined*
Other: *To be determined*

11. Project Employment: **1,240 Full-Time Employees**
 \$14.65 average per hour wage
 26% benefit factor.

12. Current Employment:

The Applicant does not currently employ individuals within Shelby County.

13. Discuss any environmental impacts created by the project (attach a Phase I Environmental Audit addressed to the Industrial Development Board, if a real property PILOT benefit is being sought):

The Applicant intends to comply with all applicable environmental laws, and believes that the environmental impact of the project will be minimal. Applicant requests an extension through thirty (30) days post closing to deliver the Phase I requirements that are due at closing due to (i) the public ownership of the land and (ii) obligations of the various governmental entities pursuant to the Site Agreement. Applicant will continue to have the affirmative obligation to provide the Board with a Phase I of all real property in the Project.

14. If the applicant is seeking a Green Initiative Special Incentive, please attach LEED Certificate or Environmental Commitment Plan. (outlined in the PILOT Program Overview):

Not Applicable.

15. Justification for PILOT Request:

The Applicant was in competitive negotiations for sites within the United States and Mexico. These negotiations included significant incentive commitments, including but not limited to land, infrastructure construction and otherwise favorable operational and labor cost savings from relevant governments to induce the

Applicant to choose such sites. This PILOT request was a material inducement to the Applicant in choosing to locate the Project within Shelby County.

16. Financial Information:

Attached are copies of the audited financial statements for the most recent two fiscal years, and the latest annual report, for the Applicant's parent corporation.

17. Diversity Plan:

Applicant is an international company that has a longstanding history and record of employing a diverse workforce and giving all persons who are in a minority an equal opportunity to rise within its organization. Applicant has a firm commitment to equal opportunity and does not tolerate any discrimination or harassment in any fashion as evidenced by its strong Equal Employment Opportunity Statement as attached.

Applicant is committed to continuing its efforts and achievements in hiring a diverse workforce and giving minorities in Shelby County equal opportunity in all aspects of the employee/employer relationship, including, without limitation, an employee's compensation, benefits, terms and conditions of employment, opportunities for promotion, training and development, transfer and other privileges of employment. Considering its excellent record and the fact that Applicant is a global company, Applicant requests that its commitment to continue its current diversity and equal opportunity programs, policies and efforts in good faith be considered a satisfactory Diversity Plan under the Board's policies; and, furthermore, that there be no reduction in PILOT term possible under the incentive provided to Applicant related to the subject matter of this Section 17.

18. Special Requests:

- A. Applicant may desire that all real and personal property PILOT lease agreements be in the name of a wholly-owned subsidiary or related entity of the Applicant to be determined. Applicant specifically requests that the Board allow Applicant, if Applicant so chooses, to use a corporate subsidiary or related entity as lessee or otherwise under any real and personal property PILOT lease agreements, provided that Applicant shall remain liable under any such lease as "Applicant" thereunder.
- B. Applicant requests that the "ramp-up" period for the Project be modified such that the Applicant has (i) one year from the date of this Application to begin construction at the site and (ii) sixty (60) months from the commencement of commercial production at the Project, which is defined as "Start of Production" in the Site Agreement, to reach the stated job creation, wages and capital investment requirements.
- C. Applicant requests that the real and personal property PILOT lease agreement(s) reflect the following agreed upon terms from the Site Agreement:

- I. The cumulative annual lease fee(s) under the PILOT Agreement(s) shall not exceed One Thousand Dollars (\$1,000).
- II. At any time following the time when the Main Facility Site is put into commercial production, upon the termination of the PILOT or at the request of the Applicant, the Applicant may request, and the IDB shall agree to, the conveyance of all or any portion of the Project Site, and all improvements and personal property then-located thereon, to the Applicant for an aggregate conveyance fee not exceed \$1000.00. Applicant may request at any time the conveyance of any unimproved land within the Project Site for an aggregate conveyance fee of One Hundred Dollars (\$100).
- III. The cumulative land-only value of the six hundred forty (640) acre tract and the one hundred fifty (150) acre tract (collectively referred to as the "Project Site") shall be initially set, for purposes of the real property PILOT incentives, at Eight Million Dollars (\$8,000,000). The land-only value of the Project Site, during the PILOT term, shall not be subject to reassessment or adjustment except for every fourth year, and each such reassessment or adjustment shall not increase the value of the Project Site greater than ten percent (10%) over the then-current land value thereof, and the IDB shall not take any action inconsistent therewith related to the value of the land for Project Site.
- IV. The appraised value of the real property improvements made by the Applicant on the Project Site during the first year such improvements are made shall not be set higher than the actual cost of making such improvements for purposes of the PILOT incentives.
- D. Applicant requests that the real property PILOT incentives with respect to the six hundred forty (640) acre tract have an effective date of February 1, 2011 and that the real property PILOT incentives with respect to the one hundred fifty (150) acre tract begin upon the Applicant requesting that such real property be placed into the PILOT program following commencement of construction on said one hundred fifty (150) acre tract.
- E. Applicant requests that restrictive covenants be placed on the real property within the Frank Pidgeon Industrial Park (the "Park") prohibiting any other person or entity from locating a facility within the Park which is or may reasonably be expected to become involved in the manufacture and/or distribution of household or industrial appliances.
- F. Applicant requests that the Industrial Development Board of the City of Memphis and County of Shelby, Tennessee approve the minutes granting the PILOT incentives on the same day said meeting is held to approve the PILOT Application.
- G. Applicant requests a postponement of payment of the PILOT Application fee until closing. Applicant acknowledges that it will be responsible for full

payment of all closing fees associated with this Project.

[SEPARATE SIGNATURE PAGE TO FOLLOW]

**SIGNATURE PAGE TO PILOT APPLICATION FOR SPECIALLY CALLED
MEETING OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY
OF MEMPHIS AND COUNTY OF SHELBY, TENNESSEE ON JANUARY 12,
2011**

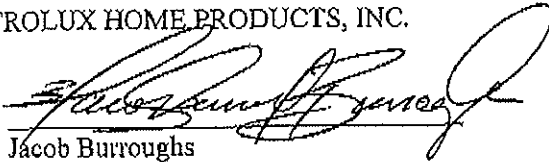
This Application is made in order to induce the Industrial Development Board of the City of Memphis and County of Shelby, Tennessee to grant financial incentives to Applicant. Applicant represents and warrants that the statements contained herein or attached hereto are true and correct to the best of its knowledge and include all information materially significant to the Board in its consideration of this Application.

Applicant has read and agrees to comply with all requirements of the Application Procedures and Policies of the Industrial Development Board of the City of Memphis and County of Shelby, Tennessee. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by the Board in connection with this Application, whether or not the financial incentives are granted or the project is consummated.

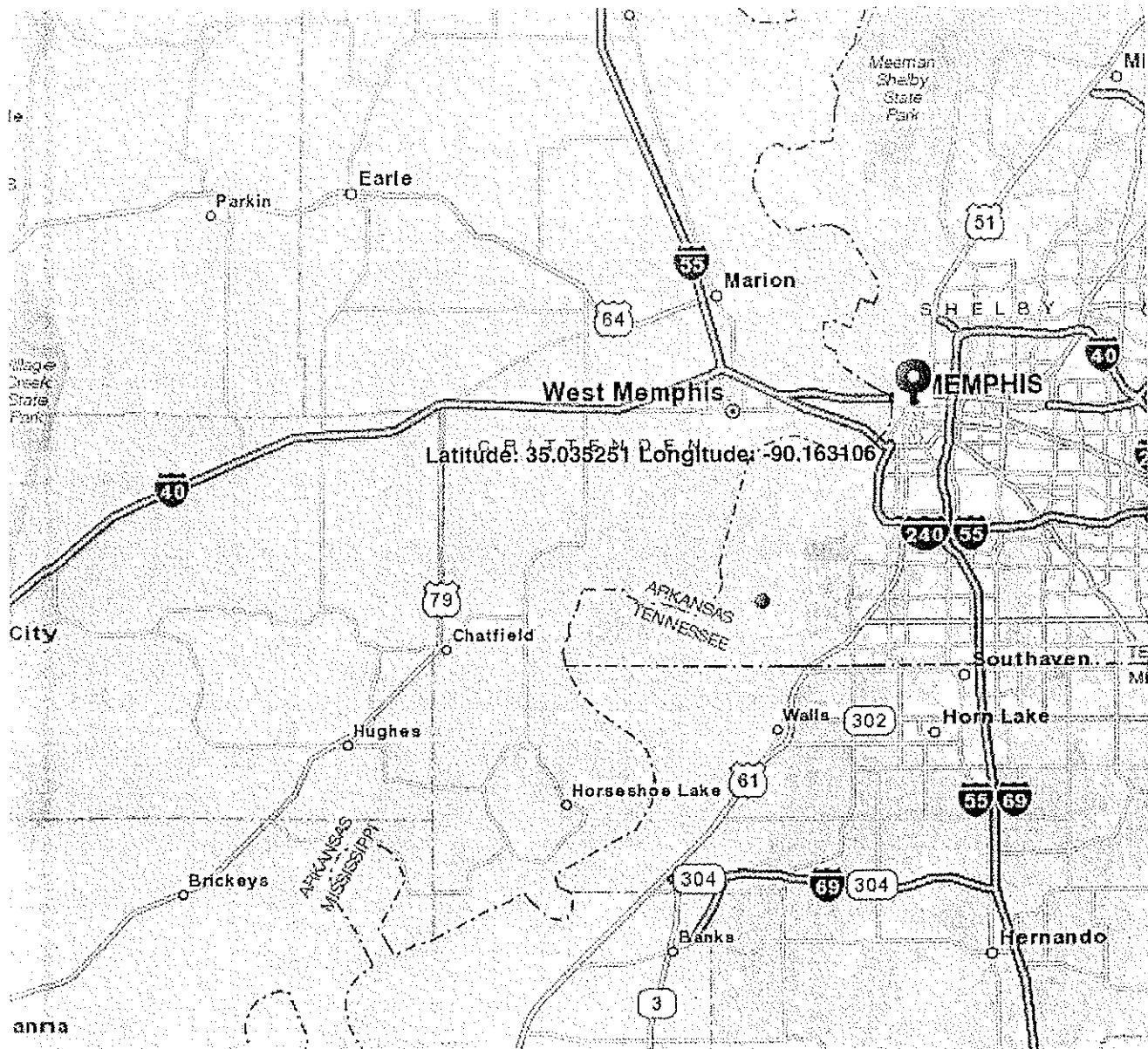
Applicant:

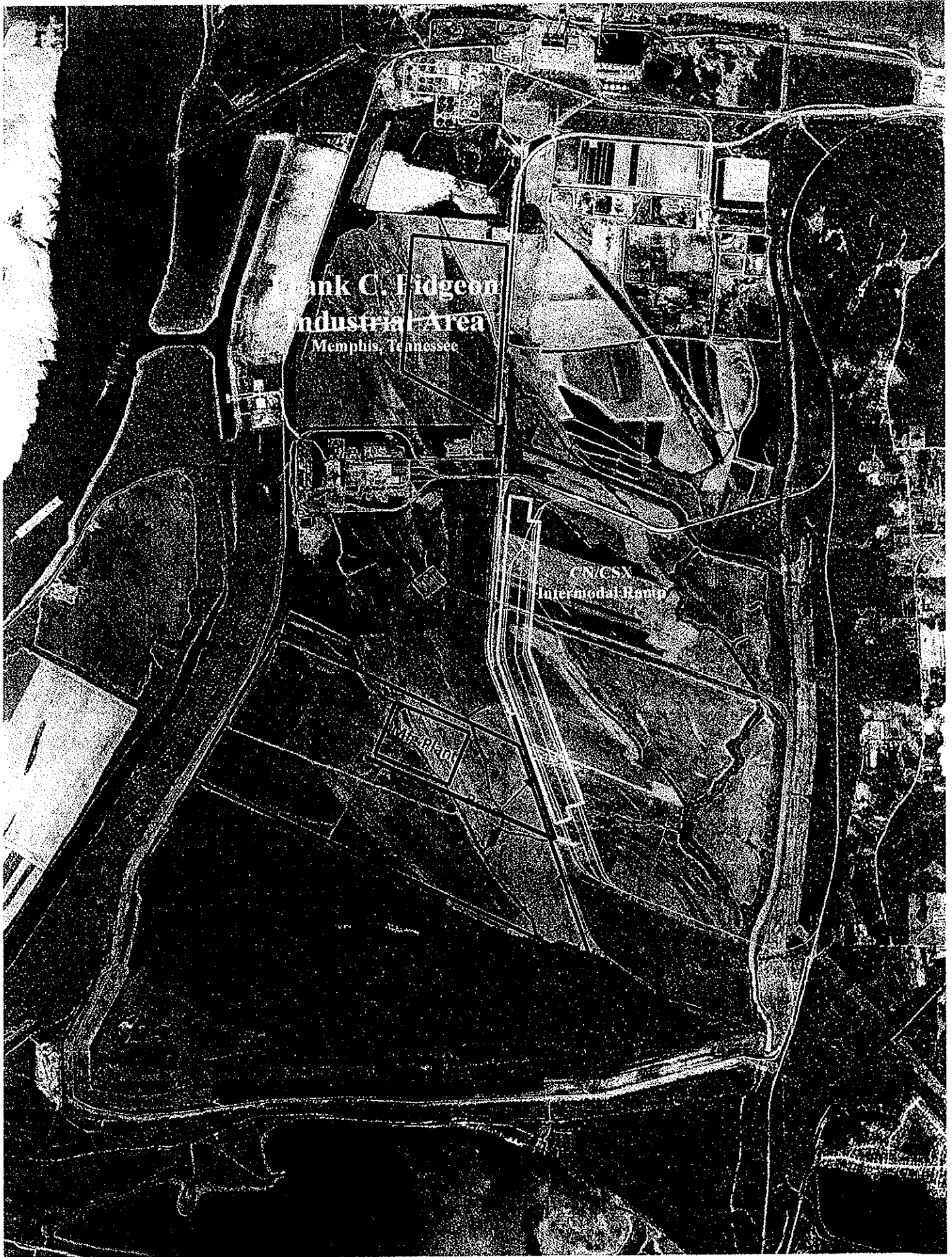
ELECTROLUX HOME PRODUCTS, INC.

By:


Jacob Burroughs
Project Director and Controller

VICINITY AND SITE LOCATION MAP





TAX PARCEL INFORMATION

CHEYENNE JOHNSON

Assessor of Property

Property Location and Owner Information	2010 Appraisal and Assessment Information
Parcel ID: 050100 00007 Property Address: PAUL LOWRY RD Municipal Jurisdiction: MEMPHIS Neighborhood Number: 00708D01 Land Square Footage: 163282482 Acres: 3748.4500 Lot Dimensions: Subdivision Name: Subdivision Lot Number: Plat Book and Page: Number of Improvements: 0 Owner Name: CITY OF MEMPHIS & SHELBY COUNTY In Care Of: Owner Address: 125 N MAIN ST Owner City/State/Zip: MEMPHIS, TN 38103	Class: EXEMPT Land Appraisal: \$ 6,858,200 Building Appraisal: \$ 0 Total Appraisal: \$ 6,858,200 Total Assessment: \$ 0 Greenbelt Land: \$ 0 Homesite Land: \$ 0 Homesite Building: \$ 0 Greenbelt Appraisal: \$ 0 Greenbelt Assessment: \$ 0 Click Here for 2009 Values View: GIS PARCEL MAP

Dwelling Construction Information	
Stories: Exterior Walls: Land Use: - VACANT LAND Year Built: Total Rooms: Bedrooms: Bathrooms: Half Baths: Basement Type:	Heat: Fuel: Heating System: Fireplace Masonry: Fireplace Pre-Fab: Ground Floor Area: Total Living Area: Car Parking:

Other Buildings on Site for this Property
See Permits Filed for this Property
See Sales Data for this Property

Disclaimer: The information presented on this web site is based on the inventory of real property found within the jurisdiction of the county of Shelby in the State of Tennessee. Shelby County assumes no legal responsibility for the information contained within this web site. This is not a bill and does not serve as a notice or invoice for payment of taxes nor does it replace scheduled notices mailed to property owners.

CHEYENNE JOHNSON

Assessor of Property

Property Location and Owner Information	2010 Appraisal and Assessment Information
Parcel ID: 050101 00067	Class: EXEMPT
Property Address: 0 RIVERPORT RD	Land Appraisal: \$ 3,065,600
Municipal Jurisdiction: MEMPHIS	Building Appraisal: \$ 0
Neighborhood Number: 00805B70	Total Appraisal: \$ 3,065,600
Land Square Footage: 16340270	
Acres: 375.1210	Total Assessment: \$ 0
Lot Dimensions: 4881.37 X 145.73 IRR	
Subdivision Name:	Greenbelt Land: \$ 0
Subdivision Lot	Homesite Land: \$ 0
Number:	Homesite Building: \$ 0
Plat Book and Page:	Greenbelt Appraisal: \$ 0
Number of	Greenbelt Assessment: \$ 0
Improvements:	
Owner Name: MEMPHIS AND SHELBY COUNTY PORT COMMISSION	Click Here for 2009 Values
In Care Of:	View: GIS PARCEL MAP
Owner Address: 1115 RIVERSIDE BLVD	
Owner City/State/Zip: MEMPHIS, TN 38106	

Dwelling Construction Information	
Stories:	Heat:
Exterior Walls:	Fuel:
Land Use: - VACANT LAND	Heating System:
Year Built:	Fireplace Masonry:
Total Rooms:	Fireplace Pre-Fab:
Bedrooms:	
Bathrooms:	Ground Floor Area:
Half Baths:	Total Living Area:
Basement Type:	
	Car Parking:

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CHEYENNE JOHNSON

Assessor of Property

Property Location and Owner Information	2010 Appraisal and Assessment Information
Parcel ID: 050097 00004	Class: EXEMPT
Property Address:	Land Appraisal: \$ 89,700
Municipal Jurisdiction: MEMPHIS	Building Appraisal: \$ 0
Neighborhood Number: 00708D01	Total Appraisal: \$ 89,700
Land Square Footage: 19526423	
Acres: 448.2650	Total Assessment: \$ 0
Lot Dimensions: 1952642.3 SF	
Subdivision Name:	Greenbelt Land: \$ 0
Subdivision Lot Number:	Homesite Land: \$ 0
Plat Book and Page:	Homesite Building: \$ 0
Number of Improvements:	Greenbelt Appraisal: \$ 0
Owner Name: CITY OF MEMPHIS	Greenbelt Assessment: \$ 0
In Care Of:	
Owner Address: 125 N MAIN ST	Click Here for 2009 Values
Owner City/State/Zip: MEMPHIS, TN 38103 2026	View: GIS PARCEL MAP

Dwelling Construction Information	
Stories:	Heat:
Exterior Walls:	Fuel:
Land Use: - VACANT LAND	Heating System:
Year Built:	Fireplace Masonry:
Total Rooms:	Fireplace Pre-Fab:
Bedrooms:	Ground Floor Area:
Bathrooms:	Total Living Area:
Half Baths:	
Basement Type:	Car Parking:

Other Buildings on Site for this Property
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**2009 ANNUAL REPORT (WITH FINANCIALS) AND 2008 AUDITED
FINANCIALS**